



Material Fact



SUZANO PAPEL E CELULOSE S.A.

Publicly Held Company
Corporate Taxpayer ID (CNPJ/MF): 16.404.287/0001-55
Company Registry (NIRE): 29.3.0001633-1

São Paulo, July 31, 2017 – SUZANO PAPEL E CELULOSE S.A. (“Company”) (B3: SUZB5), in compliance with CVM Instruction 358, of January 3, 2002, as amended, hereby announces to its shareholders and the general market that the Company’s Board of Directors, in a meeting held on the date hereof, approved the submission of a proposal for the migration of the Company to the Novo Mercado segment of B3 S.A. – Brasil, Bolsa, Balcão (“B3”), and consequent admission for trading of the stock issued by the Company on this listing segment (“Migration”), for prior approval by BNDES Participações S.A. – BNDESPAR, pursuant to Clause III of the Shareholders Agreement of the Company, entered into on May 30, 2011 and filed at its registered office (“Shareholders Agreement”).

The Migration proposal envisages the conversion of all preferred shares issued by the Company into common shares, at the ratio of one (1) preferred share, classes “A” or “B,” for each one (1) common share, and the restatement of the Bylaws of the Company to adjust its provisions to the Novo Mercado Regulation and to make any other amendments deemed convenient for the Company and its shareholders, to be duly considered and voted on by the Board of Directors for subsequent publication.

The Migration to the Novo Mercado represents the Company’s commitment to advancing its corporate governance practices so that its shareholders enjoy equality in political and economic rights and align interests to support the effective achievement of the Company’s corporate purpose.

In addition to imparting greater liquidity to the Company’s stock, once approved, the Migration will pave the way for granting: (i) full voting rights in shareholders meetings; and (ii) non-controlling shareholders the right to sell their shares at the same price paid to the controlling shareholders in the case of transfer of control to third parties (full tag-along rights).

Once the applicable provisions of the Company’s Shareholders Agreement are satisfied, an Extraordinary Shareholders Meeting and a Special Meeting of the Class “A” Preferred Shareholders and of the Class “B” Preferred Shareholders of the Company shall be called to consider and vote on the matters, as applicable.

In accordance with Paragraph 1, Article 137 of Federal Law 6,404 of December 15, 1976, as applicable, any shareholders dissenting from the decisions approving the Migration and restatement of the Company’s Bylaws shall be entitled to the right to withdraw, based on their shareholdings as of the close of trading on July 31, 2017.

The Company shall keep shareholders and the market informed of any developments regarding the matters addressed in this Material Fact notice.

Suzano will hold a conference call tomorrow, August 1, 2017, at 9:30 a.m. (New York time) / 2:30 p.m (London time), to provide any clarifications. The dial-in numbers for Portuguese speakers are (+55 11) 3193-1001 or (+55 11) 2820-4001. English speakers should connect via +1 786 924-6977.

São Paulo, July 31, 2017

Marcelo Feriozzi Bacci
Investor Relations Officer